

<p>Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address</p> <p>Andy C. Warshaw, SBN 263880 Rich Sturdevant, SBN 269088 FINANCIAL RELIEF LAW CENTER, APC 1200 Main Street, Suite C Irvine, CA 92614 Direct Phone: (714) 442-3319 Facsimile: (714) 361-5380</p>	<p>FOR COURT USE ONLY</p>
<p><input type="checkbox"/> <i>Individual appearing without attorney</i> <input checked="" type="checkbox"/> <i>Attorney for: Debtor and Debtor-in-Possession</i></p>	

UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION	
In re: 2ND CHANCE INVESTMENT GROUP, LLC,	CASE NO.: 8:22-bk-12142-SC CHAPTER: 11
Debtor(s).	NOTICE OF SALE OF ESTATE PROPERTY

Sale Date: 11/08/2023	Time: 1:30 pm
Location: United States Bankruptcy Court, Courtroom 5C, 411 West Fourth Street, Santa Ana, California 92701	

Type of Sale: ☒ Public ☐ Private **Last date to file objections:** 10/25/2023

Description of property to be sold: All the Debtor's right, title and interest in the real property located at 37472 Yorkshire Drive, Palmdale, California 93550; APN: 3019-047-055.

Terms and conditions of sale: See attached Notice of Hearing on Debtor's Motion for Order: (1) Authorizing Sale of Real Property Subject to Liens, Claims and Interests Pursuant to 11 U.S.C. Sections 363(b) and (f); (2) Approving Overbid Procedures; (3) Approving Buyer, Successful Bidder and Back-Up Bidder as Good-Faith Purchaser Pursuant to 11 U.S.C. Section 363(m); (4) Approving Payment of Undisputed Liens, Real Estate Broker's Commissions and Other Ordinary Costs of Sale; and (5) Waiving Stay Under Rule 6004(h) ("Notice").

Proposed sale price: \$ 325,000.00

Overbid procedure (if any): Overbid increments: \$10,000.00 initial / \$5,000.00 thereafter. \$19,750.00 earnest money deposit. See attached overbid procedures.

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

Sale Date: November 8, 2023 at 1:30 p.m.

Location

United States Bankruptcy Court

Central District of California, Santa Ana Division

411 W. Fourth Street, Courtroom 5C, Santa Ana, CA 92701

Judge Clarkson will conduct the hearing remotely using ZoomGov. ZoomGov: Video and audio connection information for each hearing will be provided on Judge Clarkson's publicly posted hearing calendar, which may be viewed online at: <http://ecf-ciao.cacb.uscourts.gov/CiaoPosted/?jid=SC>, and then selecting "Judge Clarkson" from the tab on the left-hand side of the page.

Contact person for potential bidders (include name, address, telephone, fax and/or email address):

David M. Goodrich, CRO of 2nd Chance Investment Group, LLC

Golden Goodrich LLP

3070 Bristol Street, Suite 640, Costa Mesa, CA 92626

(714) 966-1000 tel.; (714) 966-1002 fax

dgoodrich@go2.law

William Friedman

Coldwell Banker Realty

1608 Montana Avenue, Santa Monica, CA 90403

(310) 202-1818

billfried@earthlink.net

Date: 10/16/2023

Overbid Procedures - Case No. 8:22-bk-12142-SC

The CRO proposes the following procedure to allow for overbids prior to the Court's approval of the sale of the Property to ensure that the Property is sold for the best possible price:

1. Qualifying bidders ("Qualifying Bidder") shall:
 - a. Bid at least \$335,000.00 in cash for the Property;
 - b. Set forth in writing the terms and conditions of the offer that are at least as favorable to the Debtor as those set forth in the Purchase Agreement attached to the Motion as Exhibit 5;
 - c. Be financially qualified, in the Debtor's exercise of its sound business judgment, to close the sale as set forth in the Purchase Agreement;
 - d. Submit an offer that does not contain any contingencies to closing the sale, including, but not limited to, financing, inspection, or repair contingencies;
 - e. Submit a cash deposit in the amount of \$19,750.00 (\$9,750.00 deposit plus \$10,000.00) ("Overbid Deposit") payable to David M. Goodrich, Chief Restructuring Officer for 2nd Chance Investment Group, LLC, in the form of a cashier's check, which Overbid Deposit shall be non-refundable if the bid is deemed to be the Successful Bid, as defined in paragraph 4 below. The Overbid Deposit, written offer, and evidence of financial qualification must be delivered to the CRO (at 3070 Bristol Street, Suite 640, Costa Mesa, California 92626) by no later than 4:00 p.m., Pacific Standard Time, two business days before the hearing on this Motion ("Overbid Deadline"). In his absolute and sole discretion, the CRO shall have the right to accept additional overbids submitted prior to the hearing but after the Overbid Deadline.

2. At the hearing on the Motion, only the Buyer and any party who is deemed a Qualifying Bidder shall be entitled to bid.

3. Any incremental bid in the bidding process shall be at least \$5,000.00 higher than the prior bid.

4. At the hearing on the Motion and upon conclusion of the bidding process, the CRO shall decide, subject to Court approval, which of the bids is the best bid, and such bid shall be deemed to be the "Successful Bid." The bidder who is accepted by the CRO as the successful bidder ("Successful Bidder") must pay all amounts reflected in the Successful Bid in cash at the closing of the sale. At the hearing on the Motion, and upon conclusion of the bidding process, the CRO may also acknowledge a back-up bidder ("Back-Up Bidder") which shall be the bidder with the next best bid. Should the Successful Bidder fail to close escrow on the sale of the Property, the CRO may sell the Property to the Back-Up Bidder without further Court order.

5. Overbids shall be all cash and no credit shall be given to the purchaser or overbidder(s).

6. Upon the conclusion of the auction, any Overbid Deposits, other than the deposits submitted by the Successful Bidder and the Back-Up Bidder, will be promptly returned. The deposit of the Back-Up Bidder will be returned promptly following the close of escrow for the sale of the Property to the Successful Bidder.

1 Andy C. Warshaw, State Bar No. 263880
Rich Sturdevant SBN 269088
2 **FINANCIAL RELIEF LAW CENTER, APC**
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3 Irvine, CA 92614
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4 Facsimile: (714) 361-5380
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5 Attorneys for Debtor and Debtor in Possession

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8 **UNITED STATES BANKRUPTCY COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION**

10 In re
11 2nd CHANCE INVESTMENT GROUP, LLC,
12 Debtor and Debtor-in-
Possession.

Case No. 8:22-bk-12142-SC

Chapter 11

**NOTICE OF HEARING ON DEBTOR'S
MOTION FOR ORDER:**

- 13 (1) AUTHORIZING SALE OF REAL
14 PROPERTY FREE AND CLEAR OF
LIENS, CLAIMS, AND INTERESTS
15 PURSUANT TO 11 U.S.C. §§ 363(b)
AND (f);
16 (2) APPROVING OVERBID
PROCEDURES;
17 (3) APPROVING BUYER,
SUCCESSFUL BIDDER, AND
18 BACK-UP BIDDER AS GOOD-FAITH
PURCHASER PURSUANT TO
19 11 U.S.C. § 363(m);
20 (4) AUTHORIZING PAYMENT OF
UNDISPUTED LIENS, REAL
21 ESTATE BROKER'S
COMMISSIONS, AND OTHER
ORDINARY COSTS OF SALE;
22 (5) WAIVING STAY UNDER RULE
6004(h)

23 [37472 Yorkshire Drive, Palmdale, CA
24 93550; APN: 3019-047-055]

Remote Hearing:

25 **DATE:** November 8, 2023
26 **TIME:** 1:30 p.m.
27 **PLACE:** Courtroom 5C/Via ZoomGov
28 411 West Fourth Street
Santa Ana, California 92701

MOTION

**TO THE OFFICE OF THE UNITED STATES TRUSTEE AND ALL OTHER
INTERESTED PARTIES AND POTENTIAL BUYER(S):**

PLEASE TAKE NOTICE that on November 8, 2023 at 1:30 p.m., or as soon thereafter as the matter may be heard, the Court will conduct a hearing ("Hearing") in the above-captioned Court on the *Motion for Order: (1) Authorizing Sale of Real Property Free and Clear of Liens, Claims, and Interests Pursuant 11 U.S.C. §§ 363(b) and (f); (2) Approving Overbid Procedures; (3) Approving Buyer, Successful Bidder, and Back-up Bidder as Good-Faith Purchaser Pursuant to 11 U.S.C. § 363(m); (4) Authorizing Payment of Undisputed Liens, Real Estate Broker's Commissions, and Other Ordinary Costs of Sale; and (5) Waiving Stay Under Rule 6004(h) ("Motion")* filed by 2ND Chance Investment Group, LLC, the debtor and debtor-in-possession in the above-captioned case ("Debtor").¹

PLEASE TAKE FURTHER NOTICE that through the Motion, the Debtor seeks an order approving the sale ("Sale") of its right, title and interest in real property located at 37472 Yorkshire Drive, Palmdale, California 93550, APN: 3019-047-055 ("Property"), on the terms and conditions stated in the written offer titled *California Residential Purchase Agreement and Joint Escrow Instructions, Counter-Offer and Addendum to Court-Offer Dated June 9, 2023* (together, "Purchase Agreement") attached to the Motion as Exhibit 5, and incorporated herein by reference, to Cobra 28 No. 8, LP ("Buyer"), for \$325,000.00, cash, or to any person or entity who appears at the hearing on the Motion and submits a higher acceptable bid in accordance with the Trustee's proposed overbid procedures.

PLEASE TAKE FURTHER NOTICE that as part of the Motion, the Debtor seeks an order approving the sale free and clear of any liens, claims, and interests. The Property is being sold on an "as is, where is" basis, with no warranties, recourse, contingencies, or representations of any kind.

¹ On March 1, 2023, the Court approved David M. Goodrich ("CRO") to serve in the capacity of the Debtor's chief restructuring officer. The CRO is authorized to manage and oversee the Debtor's affairs, including supervising the Debtor's financial affairs and outside consultants.

PLEASE TAKE FURTHER NOTICE that the Debtor also seeks an order (i) confirming the sale to the Buyer or to the highest bidder appearing at the hearing and approving the CRO's proposed overbid procedures; (ii) determining that the Buyer or the successful bidder is entitled to 11 U.S.C. § 363(m) protection; and (iii) waiving the fourteen (14) day stay prescribed by Rule 6004(h) of the Federal Rules of Bankruptcy Procedure.

PLEASE TAKE FURTHER NOTICE that after payment of undisputed liens, current and past due real estate taxes, brokers' commissions, and cost of sale, the Trustee estimates that the sale will generate \$47,170.89 in cash for the benefit of the Estate, calculated as follows:

Purchase Price	\$325,000.00
Payoff to Selene Finance	(177,140.15)
Payoff to CaliforniaFIRST Program	(31,638.85)
Payoff to LA Hero Program	(35,380.89)
Brokers Commission	(\$19,500.00)
Title, taxes, NHD report, recording charges	(\$12,794.22)
Escrow charges	(1,375.00)
Net proceeds:	\$47,170.89

PLEASE TAKE FURTHER NOTICE that the estimated capital gains taxes will be paid by the Debtor's principals, Rayshon and Sonja Foster, as the Debtor passes through all income to its principals.

PLEASE TAKE FURTHER NOTICE that as further detailed in the Motion, the Trustee proposes the following **OVERBID PROCEDURES** for the purchase of the Property:

PROPOSED OVERBID PROCEDURES

The proposed sale to the Buyer is subject to approval of the United States Bankruptcy Court and to qualified overbids. The Buyer has offered to purchase the Property for \$325,000.00 ("Purchase Price"), \$9,750.00 of which has been tendered, with the balance to be tendered upon Close of Escrow (as defined in the Purchase

1 Agreement). As noted above, however, the sale of the Property is subject to overbid
2 pursuant to the following proposed overbid procedures ("Overbid Procedures"):

3 The CRO proposes the following procedure to allow for overbids prior to the Court's
4 approval of the sale of the Property to ensure that the Property is sold for the best
5 possible price:

6 1. Qualifying bidders ("Qualifying Bidder") shall:

7 a. Bid at least \$335,000.00 in cash for the Property;

8 b. Set forth in writing the terms and conditions of the offer that are
9 at least as favorable to the Debtor as those set forth in the Purchase
10 Agreement attached to the Motion as Exhibit 5;

11 c. Be financially qualified, in the Debtor's exercise of its sound
12 business judgment, to close the sale as set forth in the Purchase
13 Agreement;

14 d. Submit an offer that does not contain any contingencies to
15 closing the sale, including, but not limited to, financing, inspection, or repair
16 contingencies;

17 e. Submit a cash deposit in the amount of \$19,750.00 (\$9,750.00
18 deposit plus \$10,000.00) ("Overbid Deposit") payable to David M. Goodrich,
19 Chief Restructuring Officer for 2nd Chance Investment Group, LLC, in the
20 form of a cashier's check, which Overbid Deposit shall be non-refundable if
21 the bid is deemed to be the Successful Bid, as defined in paragraph 4
22 below. The Overbid Deposit, written offer, and evidence of financial
23 qualification must be delivered to the CRO (at 3070 Bristol Street, Suite 640,
24 Costa Mesa, California 92626) by no later than **4:00 p.m.**, Pacific Standard
25 Time, two business days before the hearing on this Motion ("Overbid
26 Deadline"). In his absolute and sole discretion, the CRO shall have the right
27 to accept additional overbids submitted prior to the hearing but after the
28 Overbid Deadline.

2. At the hearing on the Motion, only the Buyer and any party who is deemed a Qualifying Bidder shall be entitled to bid.

3. Any incremental bid in the bidding process shall be at least \$5,000.00 higher than the prior bid.

4. At the hearing on the Motion and upon conclusion of the bidding process, the CRO shall decide, subject to Court approval, which of the bids is the best bid, and such bid shall be deemed to be the "Successful Bid." The bidder who is accepted by the CRO as the successful bidder ("Successful Bidder") must pay all amounts reflected in the Successful Bid in cash at the closing of the sale. At the hearing on the Motion, and upon conclusion of the bidding process, the CRO may also acknowledge a back-up bidder ("Back-Up Bidder") which shall be the bidder with the next best bid. Should the Successful Bidder fail to close escrow on the sale of the Property, the CRO may sell the Property to the Back-Up Bidder without further Court order.

5. Overbids shall be all cash and no credit shall be given to the purchaser or overbidder(s).

6. Upon the conclusion of the auction, any Overbid Deposits, other than the deposits submitted by the Successful Bidder and the Back-Up Bidder, will be promptly returned. The deposit of the Back-Up Bidder will be returned promptly following the close of escrow for the sale of the Property to the Successful Bidder.

PLEASE TAKE FURTHER NOTICE that the Motion is made pursuant to 11 U.S.C. § 363(b)(1), and Federal Rules of Bankruptcy Procedure 6004 and 6006 on the grounds that, based on the CRO's sound business justification, the CRO believes the sale of the Property as set forth herein is in the best interests of the Estate. The Buyer's offer is the highest and best offer received to date. Moreover, the Overbid Procedures provide a process by which the CRO could secure a higher price for the Property.

A copy of the Motion is in file with the Court and available by contacting counsel for the Debtor.

1 **PLEASE TAKE FURTHER NOTICE** that any response to the Motion must conform
2 with Local Bankruptcy Rule 9013-1(f)(1), must be filed with the Bankruptcy Court no less
3 than 14 days prior to the above hearing date, and must be served no less than 14 days
4 prior to the above hearing date on the Debtor's counsel at the address noted in the top left
5 corner of the first page of this Notice. Pursuant to Local Bankruptcy Rule 9013-1(h), the
6 failure to timely file and serve an opposition to the Motion may be deemed by the Court to
7 be consent to the relief requested in the Motion.

8 **PLEASE TAKE FURTHER NOTICE** that the hearing will be conducted remotely
9 using ZoomGov. Video and audio connection information for the hearing will be provided
10 on Judge Clarkson's publicly posted hearing calendar, which may be viewed online at:
11 <http://ecf-ciao.cacb.uscourts.gov/CiaoPosted/?jid=SC>.

12 Dated: October 16, 2023

FINANCIAL RELIEF LAW CENTER APC

13
14 By: /s/ Rich Sturdevant
15 ANDY C. WARSHAW
16 RICH STURDEVANT
17 General Counsel for 2nd Chance
18 Investment Group, LLC
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